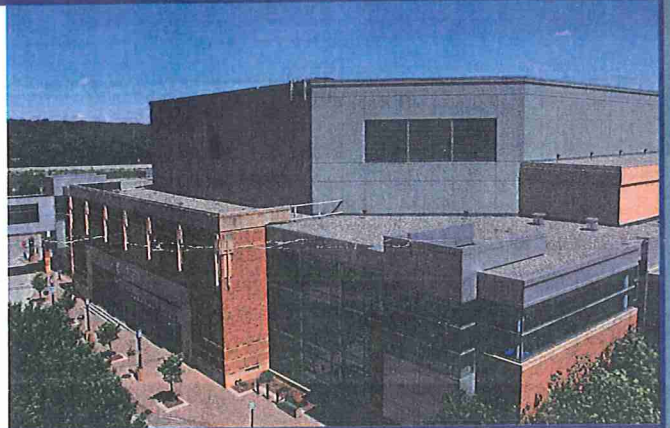




MINNESOTA STATE ARENA IMPROVEMENTS AND EVENTS CENTER AUDITORIUM/CONVENTION EXPANSION

The City of Mankato seeks a \$14.5 million bonding appropriation to improve the Minnesota State University arena and expand the event center auditorium.

The Verizon Wireless Center was built in 1994 as a regional “event center” and to accommodate Minnesota State University, Mankato’s (MSU,M) elevation to Division I/WCHA Hockey. Community and regional leaders gained support for a referendum to construct a multi-use arena and convention center using local option sales tax as a funding source. Today’s replacement cost would exceed \$60 million and this regionally significant facility generates more than \$37 million of economic impact. The city and university have created an effective partnership in which the city owns the building and leases the facility to the university and other users.



Why this project is needed:

- ◆ The partnership between the university and the city is in the best interest of both local and state taxpayers. With city ownership, as compared to university ownership, the entire region benefits because many different users and partners can access and maximize a multi-use event and convention center.
- ◆ To continue attracting high caliber events and concerts, significant improvements are necessary to meet current industry standards and future convention and regional event demands.
- ◆ The event center was originally funded through a local option sales tax; whereas, all other regional centers or universities have received state funding for building and expansion of convention/meeting facilities and hockey arenas.
- ◆ To date, all capital improvements of the Verizon Wireless Center have been supported by local option sales tax (no state bonding). Local authority is in place to proceed with upgrades and expansion; however, a state bonding match is critical to ensure the center’s future viability.
- ◆ The arena remodel and upgrades will create greater equity for the Minnesota State University, Mankato hockey program with other state-funded Division I hockey programs and ensure gender equity between the MSU,M women’s and men’s hockey teams.
- ◆ The project will result in needed community ice opportunities for youth at the community owned arena when the MSU,M women’s program is relocated to the event center.

Project budget (\$31 m):

Funding sources:

- ◆ State bonding request \$14.5 m
- ◆ Local option sales tax \$14.5 m (authority in place)
- ◆ Local option cash funding \$2 m

Funding uses:

- ◆ MSU,M arena improvements – \$5.8 m
- ◆ Auditorium addition—\$14.5 m
- ◆ Meeting/convention improvements—\$4.3 m
- ◆ Performing arts improvements—\$4.4 m
- ◆ Land acquisition—\$2 m

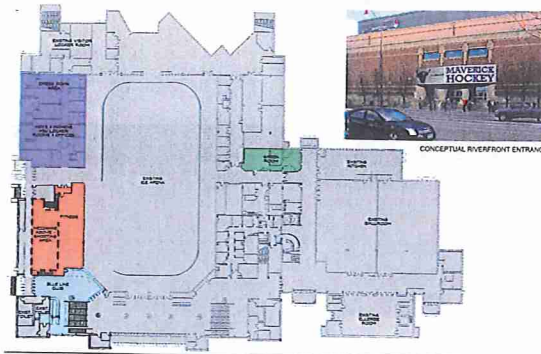
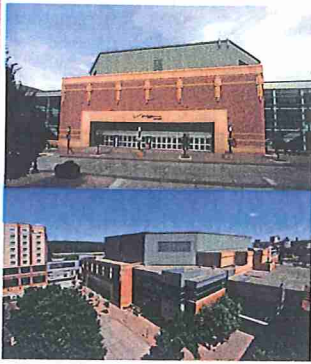
Project history:

- ◆ 2008 and 2009—request for state bonding dollars vetoed by the Governor (supported by the House and Senate)
- ◆ 2010—request for state bonding dollars vetoed by Governor
- ◆ 2012—request \$14.5 million in state bonding dollars
- ◆ 2012—construction starts

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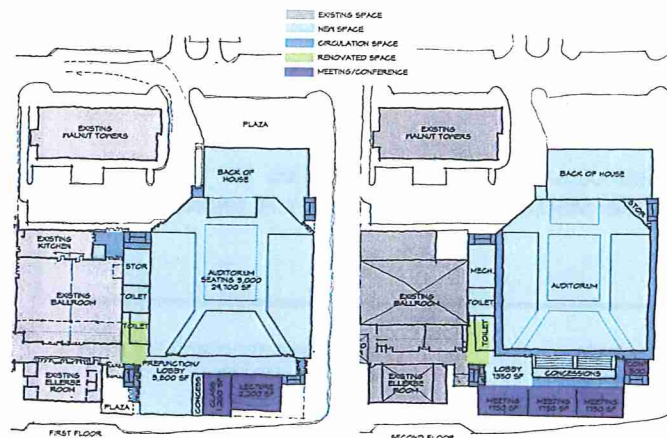
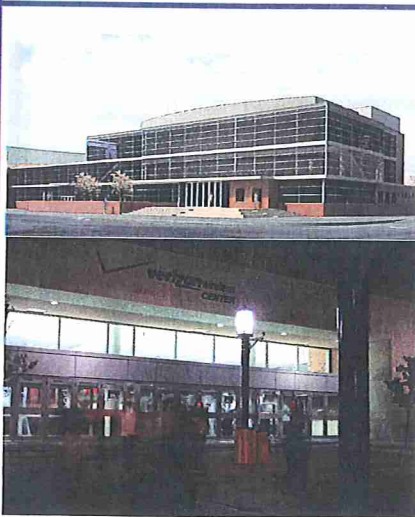


Minnesota State University Arena Improvements

The event center will be remodeled to incorporate both men's and women's MSU,M hockey training facilities. The Verizon Wireless Center arena will be updated and remodeled including, new seating, concourse improvements, ice system/dasher board upgrades and Blue Line Club room facilities. MSU,M lease will be revised to allow year-round utilization for both men's and women's hockey games and practices. Year-round use will displace many concerts, conventions, and trade shows from the main arena; thus, necessitating the addition of an auditorium.

Economic Impact:

- ◆ The event center is a catalyst for private investment at a very conservative rate; two (private) to one (public) rate. Within an eight block area of the event center, there are seven additional restaurants/bars, redevelopment of a large downtown mall, development of a 120 room hotel, and redevelopment of four large mixed use commercial buildings. To satisfy parking demands, two parking ramps and a skyway system were developed. Based on our community track record, the expansion of the event center will be the catalyst for further private investment/employment growth.
- ◆ Increased facility space will result in more than \$50 million economic impact annually.
- ◆ Project is shovel ready and will create more than 450 construction jobs, resulting in a \$84 million construction economic impact.
- ◆ In the past year, the expansion project has resulted in \$11.3 million of spin-off economic development activities including rehabilitation and redevelopment of downtown private properties and expanded use of parking facilities. This does not include future private investment.
- ◆ The project will benefit taxpayers by maximizing use of existing multi-use facilities and expanding facilities to meet current and future needs of a growing regional center.
- ◆ The project will provide a venue for regional performing arts events resulting in an increase in economic impact. Each year, non-profit arts organizations contribute nearly \$9 million to the local economy in south-central Minnesota.
- ◆ The project will provide expanded opportunities for collaboration and partnership between Minnesota State University, Mankato and the Greater Mankato region.
- ◆ The project will be LEED Silver Certified and comply with State of Minnesota sustainability guidelines. Project will incorporate sustainable strategies and be designed to ensure energy efficiency.



Event Center Auditorium/Convention Expansion

Expansion of the event center will accommodate lost convention and trade show business, as well as events displaced with MSU,M hockey year-round utilization of the arena. The multi-use auditorium and additional meeting rooms are designed to increase trade shows, conventions, small concerts, and performing arts activities.